

CHAPTER 216
REGENTS TIRE-DERIVED FUEL PROGRAM

567—216.1(455D) Goal. The goal of this program is to assist in the state's effort to manage waste tires in an environmentally sound manner, by encouraging state board of regents institutions of higher education to use waste tires for beneficial uses to the fullest extent practicable, including the use of tire-derived fuel.

567—216.2(455D) Purpose. The purpose of this chapter is to establish a regents tire-derived fuel program for the allocation of moneys to such institutions to offset additional fuel costs incurred through the use of tire-derived fuel in generating heat, electricity, or power on a British thermal unit equivalent basis. This program shall be available only to the extent that such moneys help to reduce the number of waste tires within the state.

567—216.3(455D) Definitions. As used in this chapter:

"Additional fuel costs" means the difference between the purchase price of tire-derived fuel and the purchase price of an institution's primary fossil fuel as compared on a price per million Btu equivalency basis, and labor and equipment maintenance costs associated with blending tire-derived fuel with the institution's primary fossil fuel.

"Btu" means British thermal unit.

"Department" means Iowa department of natural resources.

"Institutions" means the following institutions of higher education as governed by the state board of regents:

1. The University of Iowa.
2. The Iowa State University of Science and Technology, including the agricultural experiment station.
3. The University of Northern Iowa.

"Processing site" means a site which is used for the processing of waste tires and which is owned or operated by a tire processor who has a permit for the site.

"Tire-derived fuel" means a fuel derived from waste tires. This may include whole tires or tires processed into uniform, flowable pieces which satisfy the specifications of the end-user for use as either a primary or supplemental fuel.

"Tire processor" means a person who reduces waste tires into a processed form suitable for recycling or producing fuel for energy or heat, or uses whole waste tires in any other beneficial use as authorized by the department. "Tire processor" does not mean a person who retreads tires or processes and stores tires.

"Waste management assistance division" means the waste management assistance division of the department of natural resources established by Iowa Code section 455B.483.

"Waste tire," as defined in Iowa Code section 455D.11, means a tire that is no longer suitable for its originally intended purpose due to wear, damage, or defect. "Waste tire" does not include a nonpneumatic tire.

567—216.4(455D) Role of the department of natural resources. The department is responsible for the administration of funds for award to regents institutions under these rules. The department will ensure that funds disbursed meet guidelines established in Iowa Code section 455D.11E.

567—216.5(455D) Funding source. The department will use funds available from the waste tire management fund authorized by Iowa Code section 455D.11C. Pursuant to Iowa Code section 455D.11E, \$100,000 in annual funding is provided for the regents tire-derived fuel program over a six-year period, beginning in fiscal year 1997 through fiscal year 2002.

567—216.6(455D) Eligibility. Any institution as defined in rule 216.3(455D) may request funding through this program to offset additional fuel costs incurred through the use of tire-derived fuel during the fiscal year for which funding has been requested, subject to the requirements of this chapter, and the following conditions:

1. The institution may request reimbursement only if the tire-derived fuel was purchased from a tire processor operating a processing site located within Iowa, and
2. The institution must be in compliance with all local, state, and federal regulations and requirements regarding the use and combustion of tire-derived fuels.

567—216.7(455D) Eligible costs. Institutions may request reimbursement funding to offset additional fuel costs associated with the use of tire-derived fuel. The reimbursement allocation shall be based upon the difference between the purchase price of tire-derived fuel and the purchase price of the institution's primary fossil fuel on a price per million Btu equivalency basis.

In arriving at this cost difference, transportation costs associated with transport of the tire-derived fuel from the processor to the institution may be considered in this comparison, provided that the costs associated with transport of the primary fossil fuel used by the institution are also included in the comparison.

Labor and equipment maintenance costs associated with blending tire-derived fuel with the institution's primary fossil fuel are also eligible costs. Reimbursement for these costs under this program shall not exceed 75 percent of the difference between the purchase price of tire-derived fuel and the purchase price of the institution's primary fossil fuel on a price per million Btu equivalency basis that is calculated by the institution pursuant to this rule.

567—216.8(455D) Ineligible costs. Funds through this program shall not be provided or used for costs that include, but are not limited to, the following:

1. Purchase of equipment for off-loading, handling, or storing tire-derived fuel;
2. Building purchase, construction, remodeling, rent, or leasing associated with the storage or processing of tire-derived fuel;
3. Administration and accounting;
4. Consultant fees;
5. Permits, fees, and monitoring expenses;
6. Purchase of tire-derived fuel outside of the fiscal year for which funds are currently available.

567—216.9(455D) Intent to participate. Institutions desiring to obtain cost reimbursement through the regents tire-derived fuel program shall submit a letter of intent to the department, which shall describe their intent to participate in the program, by June 1 prior to the beginning of the fiscal year for which funds are anticipated to be requested. The letter of intent shall provide the following information:

1. Estimated quantity of tire-derived fuel to be purchased during the fiscal year as measured on a tonnage basis.

2. A comparison between the purchase price of tire-derived fuel and the purchase price of the institution's primary fossil fuel on a price per million Btu equivalency basis.

In arriving at this cost difference, transportation costs associated with transport of the tire-derived fuel from the processor to the institution may be considered in this comparison, provided that the costs associated with transport of the primary fossil fuel used by the institution are also included in the comparison.

3. Any contract or bid obtained by the institution for the purchase of tire-derived fuels from producers of tire-derived fuel products must be provided to the department. Procedures used to make contract award determinations shall also be described. If multiple bids or price estimates were obtained by the institution, all such bid and pricing information shall be included in the narrative submitted to the department.

567—216.10(455D) Allocation of funds. Funding shall be allocated to institutions as reimbursement for eligible costs as described in rule 216.7(455D). Such reimbursement shall be made available at the end of each quarter of the fiscal year that funding has been allocated.

216.10(1) Funding allocation limitations. The department shall determine the total amount of funding available for allocation to an institution during a fiscal year, based upon consideration of the following:

- a.* The institution's estimated total eligible expenditures for the fiscal year that funding has been requested, as contained in the institution's letter of intent to participate, as described in rule 216.9(455D).

- b.* An individual institution's estimate of funds to be requested shall be compared to the total amount of funding available. If the total amount of funds requested by all institutions exceeds the total amount of annual funds available, funding allocations shall be made proportionately between the institutions based on the estimated tonnage of tire-derived fuel estimated to be procured during the fiscal year period by each institution.

216.10(2) Allocation of remaining funds. An institution which does not submit a letter of intent to participate according to the schedule as listed in rule 216.9(455D) may still be eligible to receive reimbursement for tire-derived fuel purchases subject to the following:

- a.* Sufficient program funds remain after allocations to institutions that previously submitted letters of intent that were approved by the department.

- b.* The institution submits a letter of intent to participate in accordance with rule 216.9(455D) for the portion of the fiscal year that yet remains.

567—216.11(455D) Disbursement of funds. Funds through the program shall be disbursed to institutions approved by the department. Funds shall be disbursed as reimbursement for approved expenditures on a quarterly fiscal year basis; ending dates of each quarter of a fiscal year are September 30, December 31, March 31, and June 30.

The department will issue reimbursement payments to the institution only. In order to disburse funds an institution must submit the following information within 45 days following the end of the fiscal year quarter for which reimbursement is requested:

1. Copies of statements or invoices that clearly denote the quantity of tire-derived fuel delivered to the institution, and the purchase price for the tire-derived fuel, during the past fiscal year quarter for which funds have been requested.
2. Copies of statements, invoices, or other documentation that clearly denote the purchase price of the primary fossil fuel used by an institution during the equivalent fiscal year quarter.
3. Reports or analysis of the Btu value of the tire-derived fuel purchased and the primary fossil fuel purchased during the period for which the reimbursement is to be awarded.
4. Comparison of the above-listed information for determination of the additional fuel costs incurred on a per million Btu equivalent basis.
5. Detailed description of the eligible labor and equipment maintenance activities and itemized expenditures for which the institution is seeking reimbursement. Pursuant to rule 216.7(455D), reimbursement for labor and equipment maintenance costs associated with blending tire-derived fuel with the institution's primary fossil fuel shall not exceed 25 percent of the difference between the purchase price of tire-derived fuel and the purchase price of the institution's primary fossil fuel on a price per million Btu equivalency basis that is calculated by the institution.
6. Submittal of a correctly completed state claim voucher to the department.

567—216.12(455D) Funding denial. An institution may be denied funding through this program for any of the following reasons:

1. An institution does not meet the definition of "institution," as defined in rule 216.3(455D);
2. An institution does not meet eligibility requirements pursuant to rules 216.6(455D) to 216.8(455D); or
3. An institution does not provide sufficient information as requested in rules 216.9(455D) and 216.11(455D).

These rules are intended to implement Iowa Code section 455D.11E.

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